

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
NORTHERN DIVISION

In re: DOW CORNING CORPORATION,

Case No. 95-20512
Chapter 11

Debtor.

**ORDER CONFIRMING AMENDED JOINT PLAN
OF REORGANIZATION AS MODIFIED**

Findings of Fact and Conclusions of Law regarding confirmation of the Amended Joint Plan of Reorganization, dated February 4, 1999 (as modified on July 28, 1999 and supplemented on July 30, 1999), proposed jointly by Dow Corning Corporation and the Official Committee of Tort Claimants were entered today. This order is set forth as a separate document as mandated by F.R.Bankr.P. 9021. As stated in the Findings and Conclusions, the Court has determined that the Plan complies with the requirements of § 1129 of the Bankruptcy Code, and therefore,

IT IS ORDERED as follows:

1. The Plan, including its attached and incorporated separate agreements, compromises, settlements, and assumptions and rejections of executory contracts and unexpired leases, is confirmed.

2. Prior to the occurrence of the Effective Date, the Proponents (and following the Effective Date, the Reorganized Debtor) and their directors, officers, attorneys, agents and

representatives are authorized and empowered to take all actions necessary or appropriate to consummate the transactions contemplated by the Plan and the Plan Documents, and to perform thereunder. The chief executive officer and any other authorized officer of the Reorganized Debtor (or the Debtor) is authorized and empowered, without the necessity of any further order, to enter into, execute and deliver the Plan Documents in substantially the form submitted, subject to such amendments as may be agreed to by the parties thereto or approved by this Court at the Proponents' request provided such amendments shall be consistent with the Plan.

3. Upon the Effective Date, the Reorganized Debtor is authorized and empowered to operate and conduct its business and to dispose of its property without further approval of this Court, the District Court or the MDL 926 Court, except as otherwise provided in the Plan or the Plan Documents.

4. All objections to Personal Injury Claims, including without limitation the Debtor's Omnibus Disease Objection to Breast Implant Claims, the Debtor's Omnibus Supplemental Objection to Implant Claims, and the Official Committee of Unsecured Creditors' Objection to Personal Injury Claims, upon the Effective Date, are hereby denied with respect to any Settling Personal Injury Claim. The objection of the Unsecured Creditors' Committee is also, upon the Effective Date, hereby declared to be moot with respect to any Settling Personal Injury Claimant. Nothing contained in this paragraph shall waive or modify any of the requirements (including without limitation the eligibility requirements under the Dow Corning Settlement Program and Claims Resolution Procedures ("CRP")) applicable to Settling Personal Injury Claimants under the Plan or the Plan Documents.

5. A. Confidentiality as to the identities of Personal Injury Claimants who filed proofs of claim is hereby maintained pending each Claimant's decision to elect settlement or litigation. The names of all Claimants who elect or are deemed to have elected to participate in the Settlement Facility shall remain confidential, subject to application (on notice to the Claimants' Advisory Committee) to the MDL Court by parties with a demonstrated need to obtain information regarding settling Personal Injury Claimants. The determination as to whether to maintain confidentiality with respect to such application shall be within the sole discretion of the MDL Court. Claimants electing to proceed in the Litigation Facility shall cease to be protected by the Confidentiality Order.

B. By December 24, 1999, the Debtor shall mail to each Personal Injury Claimant a notice: (i) summarizing the provisions of this paragraph 5; (ii) informing them that beneficiaries of the United States Government who received medical care or reimbursement for medical care expenses from certain agencies or programs of the United States Government, such as the Veterans Administration, the Bureau of Indian Affairs, the Department of Defense, and Medicare, may have a duty to notify the Government upon settlement of any claim against the Debtor or the Reorganized Debtor and to share such settlement amount with the Government, and (iii) advising them that Claimants may wish to seek legal counsel or the assistance of the Claimants' Advisory Committee with respect to this issue.

C. Personal Injury Claimants obligated by law to inform the United States Government of a settlement with the Debtor shall notify the Government by letter addressed to: Glenn Gillett, Department of Justice, P.O. Box 875, Ben Franklin Station, Washington, D.C., 20044, within 24 hours of the time that the Claimant and the Settlement Facility agree to a settlement amount.

D. Personal Injury Claimants shall have until February 25, 2000 to withdraw their proofs of claim and to thereby preserve confidentiality as to them. By doing so, however, they forfeit their right to participate in any recovery from the estate or the Reorganized Debtor.

E. Commencing March 1, 2000, the United States of America may examine and copy at its own expense proofs of claim of all Personal Injury Claimants which have not been withdrawn, but subject to the following restrictions with respect to the claims of Personal Injury Claimants who elect to settle within the Settlement Facility: (i) the information contained on proofs of claim shall be available only to those persons within the Government having a need to know; and (ii) the Government may not release such information to any person outside of the Government (whether or not requested under the Freedom of Information Act or other provision of law) except other parties in this case who already have access to the same information. This order shall be deemed to be merely a modification of the existing confidentiality orders of this Court.

6. Non-Settling Claims in Class 11 under the Plan will not be estimated for distribution purposes on or before the Effective Date. Claims in Classes 15 and 17 under the Plan will not be estimated for distribution purposes on or before the Confirmation Date. All such claims are channeled to the Litigation Facility for liquidation, and, if allowed, payment subject to the terms of the Settlement Facility Agreement and the Funding Payment Agreement.

7. Except as provided in (i) the Funding Payment Agreement, (ii) the Insurance Allocation Agreement, (iii) the Settlement Agreement with Hoechst Marion Roussel, Inc. approved by the Court on January 25, 1996, and (iv) certain agreements entered into by the Debtor and certain objectors to the Plan and approved by the Court, resolving objections to confirmation of the Plan, upon the Effective Date, (a) no person or entity shall have or retain any claim or rights in

or to amounts paid or payable to Dow Corning by the Settling Insurers (which are identified on Exhibit A to the Notice of Modification of Amended Plan of Reorganization filed on July 28, 1999), and (b) Insurance proceeds and other monies paid by the Depository Trust for the benefit of the Settlement Facility shall be and hereby are deemed to be free and clear of any lien, claim, or encumbrance by any third-party.

8. Except for the matters over which the MDL 926 Court is assigned jurisdiction under the Plan and the Plan Documents (including, without limitation, supervision of the Settlement Facility), the Bankruptcy Court and, as applicable, the District Court shall retain exclusive jurisdiction over all matters specified in § 8.7 of the Plan.

9. The automatic stay under § 362(a) of the Bankruptcy Code remains in effect until the Effective Date and shall terminate automatically, and without any further action by this Court, upon the Effective Date.

10. Notwithstanding the Bar Order establishing the Bar Date, subject to the occurrence of the Effective Date, claims against the Debtor that were not filed on or before the Bar Date are deemed to be timely-filed claims, provided that: (i) such claims are filed on or before the Confirmation Date (or are filed on or before 60 days after the mailing by the Debtor of notice of the provisions of this paragraph in the circumstances described in the immediately following sentence), and (ii) in all other respects, such claims are properly filed in accordance with prior orders and notices of the Court. Each person who has filed on or before the Confirmation Date either a motion or letter to the Court seeking an extension of the Bar Date or leave to file a late claim, or a notice of intent pursuant to F.R.Bankr.P. 3005, shall have 60 days from the mailing by the Debtor to such person of notice of the provisions of this Paragraph 10 within which to file

his or her proof of claim. Any claims for which proofs of claim are not so filed shall be forever barred, and the holders of such claims shall have no rights on account of such claims against the Debtor, its estate, the Reorganized Debtor, the Settlement Facility or the Litigation Facility. Claimants who have not (or are not deemed to have) timely filed their claims, shall continue to have the rights provided in Section 2.02(b) of the CRP relating to claims that may have been filed on their behalf under F.R.Bankr.P. 3005, which rights shall remain unaffected by this paragraph.

11. Pursuant to § 6.6 of the Plan, a request for the payment of an Administrative Expense, other than one arising in the ordinary course of the Debtor's business, shall be filed and served as required by the Third Amended Case Management and Administrative Order (as it may be amended) no later than 75 days after the Effective Date. The Administrative Expense of any person who fails to so file a request for payment by such date shall be forever barred. This paragraph does not affect the right of certain parties to submit requests for payment based on a "substantial contribution" to the case, as provided in § 9.02 of the CRP. This Court will establish the procedures and deadlines for making such requests for payment, and will decide them pursuant to 11 U.S.C. § 503(b).

12. Any third-party paying agent charged with making distributions to holders of public debt instruments issued by the Debtor or the Reorganized Debtor (including, if applicable, the Indenture Trustees therefor) shall inform the Reorganized Debtor on a quarterly basis after the Effective Date (or any other periodic basis agreed to by the Reorganized Debtor and such paying agent, or as ordered by this Court) as to the identity of the persons, including the holders of Public Debt Claims, who are entitled to unclaimed distributions with respect to their claims.

Based upon such information, the Reorganized Debtor shall file with this Court on the second, third and fourth anniversaries of the Effective Date, a list of persons who are entitled to unclaimed distributions in respect thereof. The ownership and payment of such unclaimed distributions, and the rights of the affected claimant, the Debtor and the Reorganized Debtor with respect thereto, shall be governed by the provisions of § 11.3 of the Plan.

13. Confirmation of the Plan pursuant to this Order shall not modify the treatment of proof of claim number 03754111-00 filed by Hilti, Inc. as provided in the Stipulation and Order Resolving General Unsecured Non-Priority Claims of Hilti, Inc. and Hilti Construction Chemicals, Inc., entered in this case on September 20, 1999 (docket #20624).

14. Not later than 30 days after the Effective Date, the Reorganized Debtor shall file with the Court a certificate confirming that the Effective Date has occurred, with notice thereof to be given as required by F.R.Bankr.P. 2002(f). Such notice shall also state the Interest Rate for the Senior Notes, as determined in accordance with the rate-setting mechanisms provided in the Plan.

Dated: November 30, 1999.

/s/
ARTHUR J. SPECTOR
U.S. Bankruptcy Judge